Claims

1. A method of optimizing investment performance of an economic entity comprising the following steps:

- providing on an investment date, a first account in a first regulatory environment, the first account owning an investment portfolio;
- providing a second account in a second regulatory environment;
- transferring market risk but not credit risk from the first account to the second account through a counterparty; and
- recognizing one of gains and losses in said second account at a future date from the investment date.

2. A method according to claim 1 wherein the step of transferring market risk but not credit risk from the first account to the second account through a counterparty is accomplished according to the following sub-steps:

- entering into a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty; and
- entering into a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.

3. A method according to claim 2 wherein the first counterparty and the second counterparty are separate counterparties.

4. A method according to claim 2 wherein the first counterparty and the second counterparty are the same counterparty.

5. A method according to claim 2 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.

6. A method according to claim 5 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

7. A method according to claim 2 wherein a performance of the second derivative transaction is guaranteed by a third party guarantor.

8. A method according to claim 2 wherein the first derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.

9. A method according to claim 2 wherein the second derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.

10. A method according to claim 1 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

11. A method according to claim 2 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.

12. A method according to claim 1 wherein the future date from the investment date is at least one year.

13. A method according to claim 2 wherein said first and second derivative transactions are reverse transactions.

14. A system for optimizing investment performance of an economic entity comprising:

- a first account in a first regulatory environment, said first account owning an investment portfolio on an investment date;
- a second account in a second regulatory environment;

- means for processing data relating to a transfer of market risk but not credit risk from the first account to the second account through a counterparty; and
- means for calculating one of gains and losses in said second account at a future date from the investment date.

15. A system according to claim 14 further comprising:

- means for processing data relating to a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty; and
- means for processing data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.

16. A system according to claim 15 wherein the first counterparty and the second counterparty are separate counterparties.

17. A system according to claim 15 wherein the first counterparty and the second counterparty are the same counterparty.

18. A system according to claim 15 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.

19. A system according to claim 18 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

20. A system according to claim 15 wherein a performance of the second derivative transaction is guaranteed by a third party guarantor.

21. A system according to claim 15 wherein the first derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.

22. A system according to claim 15 wherein the second derivative transaction is selected from the group consisting of a forward, option, a collar contract and a derivative contract that transfers market risk.

23. A system according to claim 15 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

24. A system according to claim 14 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.

25. A system according to claim 14 wherein the future date from the investment date is at least one year.

26. A system according to claim 15 wherein said first and second derivative transactions are reverse transactions.

27. A system for transferring market risk but not credit risk of an economic entity from a first account owning an investment portfolio in a first regulatory environment to a second account in a second regulatory environment, the system comprising:

- a memory for storing data relating to assets in said first and second accounts; and
- a data processor for processing the data and calculating the value of said assets.

28. A system according to claim 27 wherein the market risk is transferred from the first account to the second account by way of a derivative transaction.

29. A system according to claim 28 wherein the derivative transaction is carried out through a counterparty.

30. A system according to claim 29 wherein the derivative transaction is carried out through an intermediary.

31. A system according to claim 29 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

32. A system according to claim 29 wherein a performance of the derivative transaction is guaranteed by a third party guarantor.

33. A system according to claim 28 wherein the derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.

34. A system according to claim 29 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

35. A system according to claim 27 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.

36. A data processing system for managing the investment performance of an economic entity having a first account in a first regulatory environment and a second account in a second regulatory environment, said first account having an investment portfolio on an investment date, the system comprising:

- a data processor for processing data relating to a transfer of market risk but not credit risk from the first account to the second account through a counterparty; and

- a computer for storing data relating to assets in the first and second accounts and calculating one of gains and losses in the value of assets in said second account at a future date from the investment date.

37. A system according to claim 36 wherein the data processor processes data relating to a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty and data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.

38. A system according to claim 37 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.

39. A system according to claim 36 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.

40. A computer readable storage medium containing computer executable code for instructing a computer to operate as follows:

- storing data relating to a first account in a first regulatory environment, the first account owning an investment portfolio on an investment date;
- storing data relating to a second account in a second regulatory environment;
- processing data relating to a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty;
- processing data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty; and
- calculating one of gains and losses in said second account at a future date from the investment date.